

## Message Text

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70

ACTION XMB-04

INFO OCT-01 ARA-06 ISO-00 COME-00 EB-07 INT-05 AID-05  
CIAE-00 FRB-03 INR-07 NSAE-00 USIA-06 TRSE-00 OPIC-03  
SP-02 CIEP-01 LAB-04 SIL-01 OMB-01 /056 W  
----- 079714

R 101530Z DEC 76

FM AMEMBASSY LIMA  
TO SECSTATE WASHDC 2957

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E.O. 11652: N/A  
TAGS: EFIN, PE  
SUBJECT: PERU - CENTROMIN - LA OROYA COPPER EXPANSION

REF: STATE 292771

1. EXPANSION OF LA OROYA COPPER SMELTER AND REFINERY FROM 58,000 MT/YEAR TO 73,000 MT/YEAR IS, IN FACT, ONE OF CENTROMIN'S SIX HIGEST PRIORITY EXPANSION PROJECTS. THIS EXPANSION WILL MEAN FOR PERU NOT ONLY AN INCREASE IN COPPER PRODUCTION TO 73,000 MT/YEAR BUT ALSO AN INCREASE IN OTHER BY-PRODUCTS LIKE GOLD, SILVER AND TELLURIUM. BASICALLY SOME 50 PERCENT OF CENTROMIN'S SILVER PRODUCTION IS RECOVERED FROM THE COPPER CIRCUIT (CENTROMIN IS THE COUNTRY'S MAJOR PRODUCER OF SILVER). HENCE THE OROYA EXPANSION WILL ALSO YIELD 21,600,000 OUNCES OF SILVER AND 39,000 OUNCES OF GOLD ANNUALLY AGAINST 18,000,000 AND 30,000 OUNCES RESPECTIVELY, NOW BEING PRODUCED. GOLD AND SILVER ARE CONTAINED IN THE ORES AND CONCENTRATES TREATED IN THE COPPER CIRCUIT.

2. FEASIBILITY STUDY HAS ALREADY BEEN COMPLETED BY SELTRUST ENGINEERING LTD. OF LONDON AND THE COMPANY IS NOW AWAITING THE PRESENTATION OF PROPOSALS TO CARRY OUT PROJECT ENGINEERING.

3. IN MAY 1976, THE EMBASSY WAS INFORMED THAT THE EXPORT DEVELOPMENT CORPORATION (EDC) OF CANADA HAD OFFERED TO FINANCE 100 PERCENT OF FOREIGN COMPONENT THROUGH CANADIAN COMMERCIAL BANKS AND THE ROYAL BANK OF CANADA. COFIDE--GOVERNMENT DEVELOPMENT

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BANK--WOULD COVER 15 PERCENT OF THE DOMESTIC COMPONENT

PLUS LOCAL AND FOREIGN FINANCING CHARGES AND THE REMAINING  
85 PERCENT WOULD BE FINANCED BY EDC.

4. EMBASSY HAS NO REPEAT NO OBJECTION TO EXIMBANK ASSISTANCE.  
DEAN

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NNN

## Message Attributes

**Automatic Decaptoning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** COPPER, ENGINEERING, MINING INDUSTRY, DEVELOPMENT LOANS, STUDIES, PROGRAMS (PROJECTS)  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 10 DEC 1976  
**Decapton Date:** 01 JAN 1960  
**Decapton Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** ElyME  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1976LIMA11134  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D760457-0596  
**From:** LIMA  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1976/newtext/t19761255/aaaabuzy.tel  
**Line Count:** 66  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION XMB  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** 76 STATE 292771  
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**Review Authority:** ElyME  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 19 MAY 2004  
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**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** PERU - CENTROMIN - LA OROYA COPPER EXPANSION  
**TAGS:** EFIN, PE, XMB  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006